

REMARKS

Applicants respectfully request reconsideration of the instant application in the view of the foregoing amendments and the following remarks. Claims 1 and 3-20 are *pending*. Claim 2 have previously *been cancelled* without prejudice or disclaimer. Claim 1 is *independent*. Claim 1 has been *amended* by way of this response; although these claims have been amended herein to provide clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices, Applicant submits that the originally filed claims are patentable and reserves the right to pursue the originally filed claims (as well as any claims dependent therefrom) at a later time and/or in one or more continuation application(s). Applicant submits that these claim amendments are supported throughout the originally filed specification and that no new matter has been added by way of these amendments.

Specification

The Office Action objects to the abstract of the disclosure because "it is only a few words making up one sentence which does not provide a description of the invention" (p. 2, ¶ 2, Office Action). Applicants have amended the abstract by way of this response to address the Examiner's objection. As such, Applicants submit the Examiner's objection has been overcome.

The Office Action objects to the disclosure because of "informalities", including missing sections of "background of the invention and the brief summary of the invention", and "each of the headings for each section should be in capital letters without underlining or bold type" (p. 3, ¶ 2-3, Office Action). Applicants respectfully submit that Applicants are currently investigating these issues and will follow up with a substitute specification if deemed necessary in due course.

Oath/Declaration

The Office Action asserts the oath or declaration of the pending application is defective. Specifically, the Examiner asserts "the oath or declaration is defective because: The full name of each inventor (family name and at least one given name together with any initial) has not been set forth" (p. 6, ¶ 2, Office Action). Applicants submit Applicants are currently investigating this issue and will follow up in due course.

Claim Rejections - 35 U.S.C. § 101

The Office Action has rejected claims 1 and 3-20 under 35 U.S.C. § 101 as directed to non-statutory subject matter. Applicants respectfully traverse this rejection. Applicants respectfully traverse this rejection. Applicants submit that there is no test for non-statutory subject matter that subjectively precludes the aforementioned claims. MPEP § 2106, Section IV, states "claims directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible for patent protection." MPEP § 2106 also discusses "[w]hile abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be."

Applicants submit that the elements recited in the claims are, in fact, directed to statutory subject matter and do not fall within the recognized Judicial Exceptions as merely abstract ideas (such as mathematical algorithms), natural phenomena, and/or laws of nature. Although Applicants respectfully traverse the Examiner's rejection and reserve the right to argue patentability of the claims in their original form at a later time, Applicants have amended independent claim 1 to provide clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices. Independent claim 1 recites a "method implemented

by a computer system, comprising: inputting data via a computer system ... calculating via the computer system" As such, Applicants submit independent claim 1 is directed to statutory subject matter.

Applicants further submit that claims 3-20, which depend directly or indirectly from independent claim 1, are also directed to statutory subject matter for at least the reasons discussed above, and that claims 3-20 are in a condition for allowance. Should the Examiner maintain the rejection, Applicants respectfully request that the Examiner provide specific explanation describing how independent claim 1 is allegedly directed to non-statutory subject matter.

Accordingly, Applicants respectfully request reconsideration and withdrawal of this ground of rejections.

Claim Rejections - 35 U.S.C. § 112

The Office Action rejected claims 1 and 3-20 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement. The Office Action rejected claims 1 and 3-20 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Applicants respectfully traverse and submit that claims 1 and 3-20 are clearly set forth and supported throughout the specification of the instant application.

The pending Office Action alleges:

The amending of the claims for "first entity" to "company" and second entity to "other entity" was not disclosed in the specification. Applicant claimed to have basis for the amendments in pages 27-28 and 9-11 but the Examiner could not find any basis for the change in the terms ...
(p. 7, ¶ 2, Office Action)

Applicants respectfully disagree. Applicants submit that the claimed "...company..." and "...other entity ..." are supported throughout the originally filed specification and claims. By way of non-limiting example only, Applicants note there is support for these terms on at least page 11, second bullet paragraph (e.g. "Issuer: Any desired entity ('Company')"). Applicants submit that additional description may be found elsewhere and throughout the specification and claims.

The Office Action alleges:

Specifically as to claim 1, the claim is directed to a method implemented by a programmed computer system as recited in the preamble, while the body of the claim does not include implementing the computer ... (p. 8, ¶ 2, Office Action)

Although Applicants respectfully traverse the Examiner's assertion, Applicants have amended independent claim 1 to provide clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices, and/or correct antecedent basis. Amended claim 1 recites "[a] method implemented by a computer system comprising: inputting data via a computer system ... calculating via the computer system" Applicants submit independent claim 1 is clear and definite per 112, second paragraph.

The pending Office Action further asserts a lack of antecedent basis for previously presented "another entity" in line 5 of claim 1, and the claimed "other entity" in lines 6, 9, 10, 18, 21 of claim 1, and in claims 4, 6, 9, 10, 14, 16, 19 and 20. Although Applicants respectfully disagree and submit that one of ordinary skill in the art at the time the invention was made would clearly understand that the previously presented "another entity" in line 5 of claim 1 forms the antecedent basis of the claimed "the other entity" in the noted claims by English grammatical conventions, Applicants have amended independent claim 1 to provide clarification, correct typographical inaccuracies and/or

informalities, and/or to better track practical/commercial implementations/practices and/or to correct antecedent basis.

Accordingly, Applicants respectfully request reconsideration and withdrawal of these grounds of rejections.

Double Patenting Rejection

Claims 1-20 have been provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-3 of copending Application No. 10/677,838. Applicants respectfully traverse the provisional statutory double-patenting rejection and submit that a Terminal Disclaimer may be filed if deemed to be required when the pending application(s) issue(s).

Claim Rejections - 35 U.S.C. § 102

The Office Action rejected claims 1 under 35 U.S.C. § 102(b) as anticipated by Pushka, US Pub No. 2002/0103852 (hereinafter "Pushka"). Applicants respectfully traverse the rejection and submit that Pushka does not discuss each and every element of independent claim 1.

Independent claim 1 recites, *inter alia*:

A method implemented by a computer system comprising:

inputting data via a computer system regarding a sale, by a company to an other entity, of a security consisting of: (i) a post-paid forward contract which obligates the other entity to purchase a fixed number of shares stock of the company; and (ii) debt;

inputting data via the computer system regarding a purchase, by the company from the other entity, of a pre-paid forward contract which obligates the other entity to deliver to the company a variable number of shares of stock in the company;

...

calculating via the computer system a number of shares underlying the pre-paid forward contract, based on a formula that is a function of a then-current stock price and a remaining maturity associated with the pre-paid forward contract, wherein the formula is pre-specified;

....

In the pending rejection, the Examiner alleges Pushka's paragraphs 0111, 0115, 0117-0119, 0123-0124, 0127-0128, 0130-0132, 0142-0144 and Figures 3-4 discuss each and every element of independent claim 1 (pp. 11-12, Office Action). Applicants respectfully disagree and submit that Pushka does not discuss or anticipate at least the cited claim elements of independent claim 1.

Instead, the Examiner's cited portions of Pushka merely discuss "optimizing investment performance" (Abstract, Pushka) by providing different examples of financial instrument transactions. More specifically, Pushka's paragraph 0115 discusses an example of a call option, i.e. "[a] call option gives the holder or buyer the right, but not the obligation, to buy the underlying asset by a certain date for a certain price ..." (§ 0115, Pushka). Pushka's paragraph 0117 discusses an example of an "option collar", i.e. "[a]n option collar is created where one party writes a call option and buys a put option, such that the call option strike price is greater than the put option strike price..." (§ 0117, Pushka). Similarly, Pushka's paragraphs 0127-0128 and 0130-0131 simply discuss an example of a "Hybrid Call Option Transaction", which "has an exercise price and exercise date that changes over time. The buyer can exercise the contract at any time. However, in the event that the value of the contract falls below a specified level or levels, the buyer is forced to automatically exercise the contract ..." (§ 0127, Pushka). Pushka's paragraph 0132 discusses an example of a "Tier Two Transaction" (§ 0132, Pushka). Pushka's paragraphs 0142-0144 and Fig. 3 discuss an example of "Two Tier Hybrid Call Option Transaction", wherein "[a] first account ... purchases from a fund manager ... a split fund unit ... Having sold a split fund unit to the first account, the fund manager uses the proceeds of the sale to

purchase units in the underlying fund or to purchase a portfolio that is similar or identical to that of the underlying fund ... The fund manager then sells to a second account ... a split fund contract (contract A) ... and receives a premium from the sale" (§ 0142, Pushka). Pushka's Fig. 4 merely discusses " ...a system for recording in a database, the sale of a split fund unit and contract to an investor" (§ 0163, Fig. 4, Pushka).

Applicants submit that none of Pushka's examples of "option collar transaction" (§ 0115-0119, Pushka), "hybrid call option transaction" (§ 0127-0129, Pushka), "tier two transaction" (§ 0130-0132, Pushka), or "two tier tybrid call option transaction" (§ 0142-0144) discusses or anticipates the claimed "inputting data ... regarding a sale, by a company to an other entity, of a security consisting of: (i) a post-paid forward contract which obligates the other entity to purchase a fixed number of shares stock of the company; and (ii) debt; inputting data ... regarding a purchase, by the company from the other entity, of a pre-paid forward contract which obligates the other entity to deliver to the company a variable number of shares of stock in the company..." as recited in independent claim 1.

Applicants further submit that Pushka does not discuss the claimed "calculating ... a number of shares underlying the pre-paid forward contract, based on a formula that is a function of a then-current stock price and a remaining maturity associated with the pre-paid forward contract ..." as recited in independent claim 1. Applicants note that Pushka merely states "various details are recorded [in the database of FIG. 4] such as ... a formula code and input variables if a formula is used ..." (§ 0163, Pushka). Applicants submit the mere mention of "a formula code" without any specific characteristics of the "formula code" in Pushka in no way discusses or anticipates at least the claimed "... calculating... based on a formula that is a function of a then-current stock

price and a remaining maturity associated with the pre-paid forward contract ..." as recited in independent claim 1.

As such, Applicants submit Pushka does not discuss or anticipate each and every element of independent claim 1. Accordingly, Applicants request reconsideration and withdrawal of this basis of rejection.

Claim Rejections - 35 U.S.C. § 103

The Office Action rejected claims 3, 6-7, 9-10, 14-15 and 18-20 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Pushka as applied to claim 1 above, in view of Anonymous, Seattle Times, March 29, 2001, page 1 (hereinafter "Anonymous"). The Office Action rejected claims 4 and 5 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Pushka as applied to claim 1 above, in view of Anonymous as applied to claim 3 above, and in further view of Rubinger, Florida Bar Journal, Jan 1, 2003 (hereinafter "Rubinger"). The Office Action rejected claims 8 and 16-17 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Pushka as applied to claim 1, in view of Anonymous as applied to claims 6, 14-15 above, and further in view of Sugahara, US. Patent 7,236,955 (hereinafter "Sugahara"). The Office Action rejected claims 11-13 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Pushka as applied to claim 1, in view of Daughtery, U.S. Patent No. 6,263,321 (hereinafter "Daughtery"). Applicants respectfully traverse the Examiner's rejection and submits that the Examiner has not established a *prima facie* case of obviousness and that the pending claims are patentably distinct from the cited references, taken alone or in combination.

MPEP § 706.02(j) prescribes that a rejection under 35 U.S.C. § 103 should set forth:

- (i) the relevant teachings of the prior art relied upon,

- (ii) the differences in the claim over the applied references,
- (iii) the proposed modification of the applied references to arrive at the claimed subject matter, and
- (iv) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Specifically, Applicants submit that the Examiner has failed to establish the first two requirements setting forth the relevant teachings of the prior art and the differences in the claimed language over the applied references with regards to claims 3-20. As discussed above, Applicants respectfully submit Pushka does not discuss at least the cited claimed elements of independent claim 1.

Applicants further submit that the various references cited by the Examiner, taken alone or in combination, fail to remedy the deficiency in Pushka as discussed above with regard to independent claim 1. Applicants submit that the mere mention of words "variable, prepaid, forward, contracts" does not remedy the deficiencies of Pushka or render obvious the claimed elements as recited in independent claim 1:

- Anonymous discusses Starbucks Chairman Howard Schultz "will sell 1.7 million shares of Starbucks stock in what are called variable prepaid forward contracts" (§ 2, Seattle Times);
- Rubinger focuses on tax issues regarding variable prepaid forward contracts (Florida Bar Journal);
- Sugahara discusses "a method for structuring a transaction between a first party having a long position in a security and a second party" (Abstract, Sugahara);
- Daughtery discusses an apparatus and process to "generate data representative of an option premium" and "determin[ing] a correlated expiring option premium, or to

determine the premium of an asset relatable to a corresponding option" (Abstract, Daughtery).

More specifically, Applicants submit none of the various cited references discusses or renders obvious at least the claimed "inputting data ... regarding a sale, by a company to an other entity, of a security consisting of: (i) a post-paid forward contract which obligates the other entity to purchase a fixed number of shares stock of the company; and (ii) debt; inputting data ... regarding a purchase, by the company from the other entity, of a pre-paid forward contract which obligates the other entity to deliver to the company a variable number of shares of stock in the company... calculating a number of shares ... based on a formula that is a function of a then-current stock price and a remaining maturity associated with the pre-paid forward contract" as recited in independent claim 1 as discussed above.

As such, Applicants submit that with regard to the dependent claims 3-20 the deficiencies identified above demonstrate the Examiner's failure to establish the relevant teachings and differences in these dependant claims over the applied references, and consequently the Examiner's failure to establish a proper prima facie case of obviousness.

Accordingly, Applicants respectfully request reconsideration and withdrawal of these rejections. Should the Examiner maintain the rejection, Applicants respectfully request further clarification as to how particular parts of the cited references, taken along or in combination, render obvious the pending claims.

Conclusion

Consequently, the reference(s) cited by the office action do not result in the claimed invention, there was/is no motivation, basis and/or rationale for such a combination of references

(i.e., cited references do not teach, read on, suggest, or result in the claimed invention(s)), and the claimed inventions are not admitted to be prior art. Thus, the Applicants respectfully submit that the supporting remarks and claimed inventions, claims 1, 3-20 all: overcome all rejections and/or objections as noted in the office action, are patentable over and discriminated from the cited reference(s), and are in a condition for allowance. Furthermore, Applicants believe that the above remarks, which distinguish the claims over the cited reference(s), pertained only to noted claim element portions. These remarks are believed to be sufficient to overcome the prior art. While many other claim elements and/or bases for rejection were not discussed as they have been rendered moot based on the above amendments and/or remarks, Applicants assert that all such remaining and not discussed claim elements and/or bases for rejection, all, also are distinguished over the prior art and reserves the opportunity to more particularly traverse, remark and distinguish over any such remaining claim elements and/or bases for rejection at a later time should it become necessary. Further, any remarks that were made in response to an Office Action objection and/or rejection as to any one claim element, and which may have been re-asserted as applying to another Office Action objection and/or rejection as to any other claim element(s), any such re-assertion of remarks is not meant to imply that there is commonality about the structure, functionality, means, operation, and/or scope of any of the claim elements, and no such commonality is admitted as a consequence of any such re-assertion of remarks. As such, Applicants do not concede that any claim elements have been anticipated and/or rendered obvious by any of the cited reference(s). Accordingly, Applicants respectfully request reconsideration and withdrawal of the rejection(s) and/or objection(s), and allowance of all claims.

AUTHORIZATION

The Commissioner is hereby authorized and requested to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No.17209-517. In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized and requested to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17209-517.

In the event that a telephone conference would facilitate examination of the application in any way, the Examiner is invited to contact the undersigned at the number provided.

Respectfully submitted,
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